

ECONOMICS IN RHYME

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Rhymes new

For you

My Hugh

Aged two

PREFACE

That political issues before us today
Are in main economic, one scarce will gainsay;
But voters who've studied this science are
few—

A lack which to faulty school programs is
due—

Hence erroneous beliefs and fallacies vicious
Have spread through the land with results
most pernicious;

Policies specious are hailed with applause
And tenets unsound are embodied in laws.

To the end that the truth may come to prevail,
The economist ought these false beliefs to
assail.

He should set forth the facts without favor
or fear,

Demolish the fallacies, make issues clear.

Once deep in the mind a jingle is set,
With ease it's retained, it's hard to forget;
And the boy or the girl learning these rhymes
by heart
Will have valuable assets which ne'er will
depart.

To things that the voter needs always in mind,
To ideas essential, this book is confined;
And doubtless the reader has sensed by this
time
The excuse for its writing and why it's in
rhyme.

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ECONOMICS IN RHYME

PAPER MONEY INFLATION

'Tis funny, 'tis funny,
That printing more money
Will make the people poor;

But, that inflation
Will crush a nation,
Is absolutely sure!

THE PROFITEER

Oh who's this wicked scoundrel
We call the profiteer?
Why he's the man who bought goods cheap
And later sold them dear.

But isn't that *exactly*
What we all have tried to do?
Why yes, of course, but through ill-luck
Our plans have gone askew.

For what shall we indict him
That to court he may be haled?
Oh the charge is very simple;
He succeeded where we failed.

And what attorneys shall we hire?
We'll need the very best
Who'll have real interest in the case
And prosecute with zest.

To the firm of Pique and Envy
The task we shall assign
For cases of this type, you know
Are clearly in their line.

What judge can we depend upon
To give him his full due
To send the profiteer to jail
And all his henchmen too?

Thank Heaven, we've upon the bench
A man of proper kind—
The very judge to sit upon
The case we have in mind.

He'll have no mercy for the crime
Full justice we'll secure;
In the court of Judge Hypocrisy,
Conviction will be sure.

MISERS VERSUS WASTERS

By fallacies silly and stupid and vicious,
Mankind has been hampered since Babylon's
time,
Concerning a pair which are ultra-pernicious,
I'll give you a hint, and do it in rhyme.

That "putting of money into circulation";
That making more work for toilers to do;
Is good for the worker or good for the
nation—

These are shining examples of logic askew.

For the gay spendthrift, though applauded by
many,
Is wasting the savings of men by the score;
While the miser who hoards every nickel and
penny.
Draws far less than he might from the nation's
great store.

'Tis saving that makes nations prosperous and
wealthy,
With mines, farms, and factories flourishing
all;
While display ostentatious breeds envy
unhealthy;
And a nation of wasters rides fast to a fall.

CONSUMERS CONTROL PRODUCTION

With full competition
And freedom of trade,
Each dollar, as spent,
Votes what shall be made.

A thousand commissions,
Working daytime and night,
Could not guide production
So nearly aright.

DEMAND AND SUPPLY

With growing demand,
And fixed supply,
The price will surely
Upward fly.

•

With growing supply
And fixed demand,
The price will tumble,
Understand.

LAW OF DIMINISHING GRATIFICATION

The more you consume in a given time
Of anything you name,
The less enjoyment will you get
In using up the same.

So Hugh, beginning on ice cream,
Feels he ne'er can get enough;
But, when he's eaten dishes four,
He cannot bear the stuff.

LAW OF DIMINISHING UTILITY

The more one has of lead or steel,
Of land or cattle, flour or meal,
Of bonds or money, friends or fame,
In fact, of anything you name,
The less is treasured in one's mind
A unit of that special kind.

And so, a boy
Gets lots of joy
From a single toy;
But, when he has many,
He cares not a penny
For one or for any.

RESULTS OF PRICE FIXING

Now, when competition is open and free,
Each dollar that's spent, by its vote, don't
 you see,
Determines the very best price that can be.

So calling our rival a cruel profiteer
Because, wiser than we, he bought cheap and
 sells dear
Is naught but hypocrisy, flagrant and sheer.

And when rents are kept low so that landlords
 can't gain,
And builders of houses seek profits in vain,
A shortage of dwellings is sure to obtain.

Thus, the fixing of maximum prices or rents
Is a type of procedure that smacks of nonsense
And shows that our legislators are dense.

But where monopoly tightens its grip day by
day,

The government, through a commission,
should say

Just what is the fair price for people to pay.

Still, the fact ought ever to be understood
That ne'er can we have the service we should
When rates are too low to permit profits good.

VALUE, COST, AND UTILITY

Value ever does look to the future;
To past outlay it gives little heed;
It rests on costs of reproduction
And on present and prospective need.

Thus a grand but obsolete mansion
Oft for a mere pittance is sold;
While a diamond, picked up in a stream-bed
Is exchanged for a bag-full of gold.

So the use, which today or in future,
Of a given thing can be made,
And not its cost of production,
Determines its value in trade.

MONOPOLY POWER

In every land, you'll find it true,
Monopolies are nothing new;
But they can little damage do,
Except when substitutes are few.

HISTORY OF INFLATION

Inflation unending;
Prices climb higher;
An orgy of spending;
Thrift's forced to retire.

Statesmen all cry
"To stop means disaster!
Presses must fly,
Print money faster."

Prices rise madly;
Ere one can spend it,
Money shrinks sadly;
Something must end it.

Now they print a quintillion;
But inflation is done,
For of money, a billion
Will not buy a bun.

The depression's short-lived,
For sound money's soon back;
Industry's revived,
And of work there's no lack.

GRESHAM'S LAW

When two money units
Both have the same name,
But in the world's marts
Are not valued the same,
Though both, in the nation,
Are full legal tender,
And hence, in debt paying,
Like service will render,
The dear unit ever
Is doomed to defeat,
For ne'er can it hope
With the cheap to compete
Since, naturally, everyone
Wishes to pay
His debts in the
Most economical way;
Hence the dear money soon
Is not seen in the nation
While the cheaper makes up
The entire circulation.

THE LAW OF BEST COMBINATION

That land and labor, cows and mules,
Sheep and horses, seed and tools,
In many ways may be combined
Is plain to every farmer's mind.

'Tis also true, beyond a doubt,
As those who try will soon find out,
That largest gains to him will fall
Who best combines these factors all.

The same in urban trades holds true;
For profits seldom do accrue
Till workers, buildings, power, and land
All in correct proportion stand.

MONOPOLY AND THE OUTSIDER

Now understand
Monopoly's grand
For the man on the inside;
But, for those without,
There's not a doubt,
It evil does betide.

Thus a labor combine
May prove very fine
For the member inside the fold;
And a rubber trust
Seems extremely just
To its promoter bold.

The results are the same
Whatever the name
Of those who together are tied;
And the fact still remains
That monopoly gains
Are paid for by those outside!

MONOPOLY PRICE

In whatever field
Monopoly reigns,
It strives for the price
That gives biggest gains.

To fix the price higher,
Would make profits fall,
Those knowing their business
Won't do it — that's all.

THE MINIMUM WAGE

To make a horse drink
It is foolish to try;
It's fully as hard
To make customers buy:
So, when prices are raised
By law or decree,
That sales will fall off
Is as sure as can be;
And if minimum wages
By commission are set
Above what the worker
Would naturally get,
Those worth the money
Alone will be hired,
While the lowest-grade labor
Will surely be fired,
And the jobless will sit
And wonder all day
Just what they have gained
From the high legal pay.

PROTECTION AND WAGES

"Father, I heard a speaker,
Last night, on the radio,
Who talked about 'protection',
And why we need it so.

He said, American workers,
At five dollars, each, per day,
Cannot compete with those abroad
Who get a third the pay;

Hence, we must have a tariff
Our standards to maintain,
Or wages here will meager be
And poverty will reign."

"My son, I fear that speaker
Is something of a quack;
For, of economic knowledge,
He surely shows a lack.

That he has his logic twisted,
Can be said without ado;
Since he states that costs make prices,
When the opposite is true.

For the wage that the steel-maker
To a workingman can pay,
Depends upon the price of steel;
'Tis not the other way.

Our iron ore is abundant;
Our coal is plenty too;
And machinery is everywhere
The heavy tasks to do;

So each man is made efficient—
Turns out a tonnage great—
And that's the very reason
He's paid so high a rate."

POPULATION AND PROSPERITY

When population
In a nation
Climbs above the optimum,
Expenses jump,
Wages slump,
And harder times are sure to come.

THE WHY OF HIGH PAY

When a type of skill is in much demand,
But those so gifted are few,
Their labor a high price will command,
No matter what work they do.

RESULTS OF PROTECTION

When a tariff is new,
For years just a few,
Protection makes profits ascend;
But, soon, competition
Wipes out this condition,
And the day of big gains has its end.

For, if a tariff is laid,
The taxes are paid
By buyers and sellers the twain;
Production is hampered;
Monopolists pampered;
In the long run, they only, do gain.

UNEMPLOYMENT'S CAUSE

When Jim's holding-price for his labor
Is more than the market can pay,
Then Jim will surely be out of a job—
"Unemployment" the records will say.

Now till Jim eases up on his charges,
Or a market-rise meets his demand,
It's as clear as the blue sky in June-time
That "unemployed" the record must stand.

With a dole, he can ward off the gaunt wolf—
Can longer his standard maintain;
When in funds, Jim will scarce his price
lower,
Though for months he must idle remain.

Paradoxical, then, though it may seem,
For reasons which now are quite plain,
Unemployment rates far above average
Prove workers well-fixed in the main.

But where overcrowding is common
And there's too little food to go 'round,
Though wages are shockingly meager,
Almost no unemployment is found.

IMMIGRATION

Much immigration
To our nation
Brings degradation
And poverty for all.

Hence labor cheap
We'll try to keep
Across the deep—
So wages here won't fall.

LAW OF TIME PREFERENCE AND INTEREST

A bird in the hand's worth two in the bush;
Life is uncertain at best;
It's for things of the present we hustle and
push;
For the future, we work with less zest.

Hence, we value more highly a dollar in hand
Than a dollar a year from today;
And it's obvious quite, why, in every land,
Most borrowers interest must pay.

UNPROFITABLE INDUSTRIES

If, without protection or bounties,
An industry can not survive,
It's foolish to waste time and money
In trying to keep it alive.

Even though it be hard on the people
Who on that line of work must depend,
The drain on the national income
Should quickly be brought to an end.

Equipment can often be salvaged—
New callings by workers be learned;
The sooner the ordeal is over,
The better for all who're concerned.

GOLD MOVEMENTS AND PRICES

When a nation with goods cheap
Sells more than it buys
Getting gold for the balance
Prices shortly will rise.

Till buyers, discouraged,
Seek markets less dear;
Then our "favorable" balance
Must soon disappear.

CAPTURING TRADE

To seek for gold at the rainbow's end;
And, in quest of trade, men with guns to send;
Are projects equally silly.

But, if goods are the best that can be found,
And prices the cheapest the whole world
'round,
Trade will come, willy-nilly.

RATES OF INTEREST

Where people are poor
And wealth insecure,
High rates of interest
One must endure;

But where people are thrifty
And government sound,
Exorbitant interest
Is but rarely found.

FARM RELIEF

Cheap wheat and cotton, hogs and corn
Make the farmers lot forlorn;
While, in the city, those who try
Soon attain to wages high.

To remedy the farmer's plight,
The state might buy at prices right
The entire surplus from the farm,
But this would do a world of harm.

For the surplus would be sure to grow,
And hence would sell at prices low.
This remedy for farmers' ills
Would make the Treasury foot the bills.

To give the farmer real relief,
That will persist and not be brief,
There's only one plan that's correct,
And it is simple and direct:

More farmers' sons must move to town;
This soon will bring the surplus down;
Demand for produce then will grow,
And the farmer's books fine gains will show.

DUMPING

To favor the local producer;
In the home market to buy;
Are policies sometimes quite costly
And seldom should strictly apply.

So when cheap foreign goods flood our
markets—

Come into our ports without end—
The best way to punish the aliens
Is to buy all the goods they can send.

To buy where goods are the cheapest;
To sell where best prices obtain;
Is the surest way, in the long run,
To strengthen prosperity's reign.

INELASTIC DEMAND

When demand's inelastic,
Price-cuts very drastic
Result from growth in supply;
Hence a bountiful crop
Often makes values drop
Until farmers most gloomily sigh.

So it's not rare at all
For the yields that are small
To bring more than those that excel,
And the grower is glad
To see world crops bad,
If his own plantings thrive fairly well.

COLLECTION OF FOREIGN DEBTS

Some queer people say
That, were Europe to pay
The money she owes to this nation,
Foreign goods would be sent
To make the payment
And our factories would suffer stagnation.

Now, if these men are right,
It is obvious quite
Selling more goods abroad is absurd;
For the new debt thus made
Will yet worse make our trade,
And collection must still be deferred.

But these croakers forget
That each dollar of debt,
Which Europe deigns to send across,
Will our total demand
By one dollar expand;
Hence our factories will suffer no loss.

So for man or for nation,
Of whatever station,
Economically, 'tis the sound way,
To collect what is due
And politely eschew
All schemes for postponing the pay.